

Funding Recommendations for Taskforce Consideration

These recommendations would not replace a longer-term effort of looking at a complete overhaul of K-12 funding.

The challenge is to provide recommendations that fund the results we want by increasing the likelihood that students receive high quality instruction that improves their academic performance.

There are three principles to work from with regard to each recommendation:

1. Encourage highly performing and greatly improving schools
2. Encourage accelerated academics and reward effective teachers
3. Close down or radically improve failing schools

Below are some recommendations for the Taskforce's consideration (arranged by cost and timeline of implementation):

1. Provide a per pupil performance incentive to 'A' schools that serve a high percentage of students receiving Free and Reduced Priced Lunches (FRPL).

% of Students (FRPL)	Total Student Count of Qualifying Schools	\$50 per Pupil	\$100 per Pupil
75%	8,642	\$ 432,100	\$ 864,200
50%	29,748	\$ 1,487,400	\$ 2,974,800

2. Provide schools with a bonus for every Advanced Placement Exam a student passes (a score of 3 or higher).

# of AP Tests Passed with 3 or Higher (2011)	21,426
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Incentive Funding Per Passed Exam	
\$50	\$ 1,071,300
\$100	\$ 2,142,600
\$200	\$ 4,285,200

3. Over a three-year period, repeal the Teacher Experience Index and as well as the 1.25% base level increase for school districts that implement teacher evaluations and redirect those funds to schools who show above average growth in student achievement.

Funding Formula Component	Amount Spent - FY 2009
Teacher Experience Index	\$60.1 million
Teacher Evaluation Increase	\$53.2 million
Total	\$111.3 million

A.R.S. §15-941, created in 1981, authorizes the Teacher Experience Index (TEI). The TEI takes a district's average teacher experience level and compares that to the statewide average teacher experience level. For every

year that a district's average exceeds the statewide average (about 9 years in 2012) a district may increase its base support level (the base multiplier used for the funding formula) by 2.25%.

Created in 1986, A.R.S. §15-952 allows school districts to increase their base support levels by 1.25% if they have implemented teacher evaluation systems in accordance to state law. By school year 2014, all school districts must have implemented teacher and principal evaluation systems that incorporate quantitative data on student academic achievement.

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4. Provide a per pupil performance incentive to 'A' schools and to those schools that move up one grade level year over year.

	A Schools	Improved from Prior Year*	Total
Number of Schools	285	254	539
40th Day Student Counts	212,589	139,899	352,488
\$100 per pupil	\$21,258,900	\$13,989,900	\$35,248,800
\$200 per pupil	\$42,517,800	\$27,979,800	\$70,497,600

*Estimated using the old Legacy Labels (Excelling, Highly Performing, etc.)

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5. For 'C,' 'D,' and 'F' school districts, make the optional 200 day school year more financially feasible.
- Before a district can receive this additional support it must have a plan approved by the State Board of Education before it can increase its base support level above the amount allowed in A.R.S. §15-902.04.
 - Require 'F' schools to provide a 200 day school year.

% of C, D, and F School Districts Participating	5% Increase (Current Law)	6% Increase	7% Increase	8% Increase
5%	10,784,500	12,947,300	15,110,000	17,272,700
Additional Support	-	2,162,700	4,325,500	6,488,200
25%	53,922,600	64,736,300	75,550,000	86,363,600
Additional Support	-	10,813,700	21,627,400	32,441,000
100%	215,690,400	258,945,100	302,199,900	345,454,600
Additional Support	-	43,254,700	86,509,400	129,764,200

Laws 2010, Chapter 318 created A.R.S. §15-902.04 that allows school districts, starting in school year 2012, to increase its base support level by 5% if it provides 200 days of instruction (instead of 180 days) and increases instructional hours by at least 10%.

The following school districts have taken advantage of the 200 day school year:

- Balsz Elementary School District
- Riverside Elementary School District
- Maricopa County Regional School District
- Pima Accommodation School District